[Dr. (Shrimati) Sarojini Mohishi]

12, why should not the penalty be such as it will become deterrent for the other people not to commit these things also? If it is a matter of only Rs. 1,000/- or Rs. 1500/-, the industrialist will throw it away and go away. Therefore, this should be made deterrent so that they will be prevented from resorting to such types of things.

Secondly, I would like to say, Sir, in all seriousness, in the biggest sector of unorganised women 'labour, that is agricultural sector, how are we going to implement these things? As we find even in the case of public sector industries where women are to be given equal remuneration, they are not being given. At places, I know, Sir, because some women may require maternity leave and other things, an undertaking is taken from all the women workers that they are not married and they do not require such leave and other things. When I want to one factory. some women came out ad I asked them. They told me, "we are made to give this undertaking. Otherwise, we would not be taken into service at all." That is what they said. Under these circumstances, I would really appreciate very much the amendment that has been brought forward but in all seriousness, it should be implemented. Shri Malik said that the Hindi translation of this is not being even understood by him. I do not know whether he will be able to appreciate it. It is written in such a language that even I could not understand it. It should be appreciated in the other way It has been translated in such a beautiful way that even I could not understand it. It is above my knowledge also. Therefore, it is written in a very graceful way. There are two ways of appreciation. If I can understand something, I say, could understand and this is a very beautiful piece. The second way of appreciation is it is so beautiful that even I could not understand it. Therefore, I am putting it in the second category. We should be able to appreciate this in that way. Anyway, if these laws are translated into regional languages and they are broadcast as far as possible, they will go a long way in giving some understanding some knowledge at least to some people because illiteracy in this country is of a very high percentage, especially among women. Under these circumstances, we do not expect them to understand the law and try to implement these things. Their first objective is to get some money for their bread They cannot go for fighting with the managers. The Government should come forward for giving full protection to the women and try to see that the people who are not providing these facilities are punished also. At places, I have seen that the creche is not provided for the babies; at places, I have seen even the other facilities, like drinking water and other relaxation facilities, even they are not provided. Therefore, these things go along with these things. They should be provided to these people. Then only, of course, we can expect proper turnout of the work. I would welcome this Bill and request the Government to implement it in the public sector industries, in the bigger factories and see that these things are not violated. Compliance in violation is there but compliance in following the rules and regulations etc. is not being done. I would like the Government to very seriously implement these things. Thank you.

4.00 P.M.

THE VICE-CHAIRMAN (SHRI MOSTAFA BIN QUASEM): The discussion on the Bill is now over. The Minister will reply tomorrow. Now we take up the short duration discussion.

SHORT DURATION DISCUSSION ON THE PRICE SITUATION IN THE COUNTRY

SHRI N. E. BALARAM (Kerala): Mr. Vice-Chairman, Sir, now, we are discussing, according to me, a very serious problem, the problem of price rise. This problem has already created a very difficult and a rather

unbearable situation. It has already affected the common people very much. It has not only affected the common people but the whole country and to a large extent, the economy itself. But, unfortunately, there is no indication so far on the part of the Government that they are going to take strong and serious measures to check this price rise. So far, they have not taken any strong measure Now, Sir, according to paper reports—not only according to paper reports but the Government themselves have admitted—the wholesale price index has already gone up much. For example for the last seven weeks, the wholesale price index has been continuously growing. Now it has already touched a record of 411.2 points. The index for the previous week was 410. That means, in one week, it has increased by one and a half points. I would say, this is something unusual. That means, we have now got a two-digit inflation. So far, the Government were claiming or telling us that they would be able to control the inflation, control the price rise. But now, what we are witnessing is contrary to those statements. Prices are increasing everyday. An even more disturbing fact is that the retail price is going up faster than the wholesale price. The prices of absolute daily necessities—like wheat, rice, sugar, vegetables, drugs, I do not list out a number of commodities here, all of us know—are going up like anything. Today, in the question hour, the Minister was answering the point. The question was raised why the cement price was going up. Everybody knows that the average date of profit in the cement industry is high. In the cement industry, not only the price is growing but also the profit. Even then, the Government's policy is to allow to increase the price of cement by reducing the levy quota. So, as I said at the beginning, the Government is not at all taking a very serious note of this phenomenon. Especially after the drought the situation inside the rural areas is very bad. You know the conditions in the villages. There are no jobs for the people in the villages. Agricultural workers are slowly migrating to cities and towns. Agricultural activity is in a very slow process unlike in the past, because of the drought conditions. There is no economic activity in the villages. There is no drinking water even in spite of heavy rains in some places. In this background, if the prices are allowed to go up like this, I think, very soon we are going to face an alarming situation. I do not mean to say that it is not alarming now. but the situation will become much worse soon if the Government does not take immediate steps, adequate steps, strong measures, and, I am afraid. the situation will get out of control and will affect the entire economy. The Finance Minister himself admitted of the price rise. In the past he was hesitant to admit the fact that prices were rising. But after taking sufficient political time he has now admitted that the prices are on the increase. I have seen statements of some of the Ministers, not only of the Finance Minister, of some of the important Ministers, stating that the price rise is mainly due to the drought conditions. Of course, there is no doubt about it; I do not deny it; drought conditions have also contributed to the price rise. But. I say, it is only minimal. On that ground alone we cannot justify the steep rate of the rise in prices. The main reason for the present price rise is the Government policy itself. I have no hesitation saying that. The natural result of the concessions given by the Government to the monopoly houses, actually speaking, is the main reason, the root cause. for the present price rise. Take for example, the case of cement. This morning during the question hour it was told what happened to the prices in the cement industry. Not only cement, sugar, drugs, textiles, of all these commodities the prices have gone up because Government appears to be for higher and higher prices. that seems to be the attitude of the Government.

[Shri N E. Balaram]

It is the policies of the Government which are directly responsible for the rising prices of cement, sugar, textiles, drugs, etc. I know the Government is in difficulties. The Government will not admit it publicly. Dr. Chelliah was recently commenting on the situation. He is very close to the Government. He said the Government is now living beyond its means. That is what he said. He said this Government is living beyond its limits like the Reagan's Government in America. It is very clear in the economic language—the Government is living mainly on deficit financing and borrowing. I do not know where we are going with this sort of policies. According to the Seventh Five Year Plan scheme, the envisaged deficit financing will come to about seventeen thousand crores. I think now this limit of seventeen thousand crores has already been reached in these three years and this year, I am definite, the amount will be exceeded. It will be more than five thousand crores.

SHRI M. KADHARSHA (Tamil Nadu): It is already more than five thousand crores.

SHRI N E. BALARAM: Yes. it is already more than five thousand crores; that is what I am saying. So, you are depending on deficit financing only. And, deficit financing means what? Everybody knows that and I do not want to explain now what deficit financing is.

Now, there is another reason for this price rise and that is the most important reason. It is your so-called system of administered prices. You yourself are increasing the prices of your own commodities the prices of your own services. with the result that they are again reacting, they are interacting on the economy in the sphere of prices very much. So. I am not explaining all the reasons here now. If you take just these three basic things, you will see that the responsibility for having created such a situation is there very much now. You cannot escape the responsibility unless you retrace from this sort of economic policies, fiscal policies, and unless you do that. I do not think that you can control the prices and I am sure about that. You are going to face a very serious difficulty hereafter. You are doing certain things in the name of drought. Drought is there and I am not saying that the effect of the drought will not be there on the prices. Drought is there and the effect of drought will be there. Now, after the drought, these things are developing according to the Minister himhelf and I think we are going to have a very difficult situation in the near future. Therefore, this is not something that the Government alone is concerned about or the Opposition parties alone are concerned about Now a big debate is going on in the country and everybody knows that. The Government also is not saying, as it used to say in the past, that the economy is on a sound basis. I do not think that they are saying this now. It is because there are two important points in the debate discussed by the Govtrnment spokesmen and the economists of the country. One point is whether there is economic growth as envisaged in the Plan or not. The Finance Ministry people recently made a statement and in that statement they did not claim that the envisaged economic growth would be there. They said that some growth would be there. They have used the word "some", because the economists themselves were arguing that there would be either zero growth or negative growth in the economy. I am not talking of politicians. Economists, outstanding economists of the country are saying that during this Plan period, there will be either negative growth or zero growth in the economy. Therefore, the Finance Ministry came out with the statement that there would be "some" growth Likewise, there is also another debate which is going on and I do not know what the opinion of the Government is. Many econo-

mists are of the opinion that there is industrial recession in the country. It is a fact. It is also a fact that the purchasing power of the people has gone down. has dwindled very much. The purchasing power of the people has gone down very much and they are not able to purchase the absolute necessaries as in the past. Of course, some monopoly houses in the country, in the name of lack of demand, in the name of lack of domestic demand, are now lobbying with the Government to export their commodities at the expense of the Government. That is very much there and I do not deny that fact. Today I have asked a question. That Question will come up after some days. I will not ask this here now. My question will come. So that sort of thing is going on there In spite of that, there is domestic recession. Why recession? If our economy is sound, if your anti-poverty programme are going in a big way, if you are able to lift a large number of people above the poverty line. why is there this recession? There is a recession. The textile industry is very much affected by this recession. It is a fact. The FICCI is complaining about it. Why this recession in the country? It is affecting our economic life and indirectly all these factors are helping price rise.

THE VICE-CHAIRMAN (SHRI MOSTAFA BIN QUASEM): Please conclude.

SHRI N. E. BALARAM: I will make one more point and then conclude.

In the other House when this question was raised the Minister had announced a five-pronged programme to meet the price situation. I do not dismiss it as a mere hoax. It is a good programme. What are the five points? They will strengthen the public distribution system and they will monitor it regularly, they will take steps to de-hoard, they will arrange more stocks, so on and so forth. I do not deny the significance of that. They may have some effect; I do not deny. But I do not think that such Homoeopathic doses will cure this disease. Mr. Finance Minister.

AN HON. MEMBER: You want Unani? (*Interruptions*)

SHRI N. E. BALARAM: I want more drastic medicine not only Unani. If you do not take drastic steps, you will have to go in for bigger operations. You will be forced to do that, because such a situation is developing in the country. You may not be knowing how the people are feeling inside the country. You will do this in the near future. I do not want to enter into politics when we are discussing the price situation. You see the role of the State Governments in this situation. You ask the Chief Ministers. They are put in greater difficulties because price is mainly controlled, increased or whatever you can do, by the Central Government. It is an all-India economy. It is not a Bengali economy or Tamil Nadu economy. It is not a fragmented life. We have got a single economic structure which is controlled by the Central Government. If your policy is like this, what can the State Governments do in controlling the prices? I ask you this question. They are put in greater difficulties. They can do something; I don't deny. They are not puppets; they have some powers. Some of them are doing much. But when you give more emphasis on the price rise, there is not much they can do. You know that the price rise leads to accumulation of capital and the accumulation of capital develops into capitalism; you know all this.

SHRI A. G. KULKARNI (Maharashtra): You demand more... (*Interruptions*) You have no 'Russia' or 'China'... (*Interruptions*)

SHRI N. E. BALARAM: I think the parliamentarians in Russia and China will do their jobs.

SHRI VITHALRAO MADHAVRAO JADHAV (Maharashtra): A poor man cannot give anything to anybody.

SHRI N. E. BALARAM: My charge is that the Minister is supporting the monopolists. He does not understand the Indian politics. That is why he has joined the other side.

SHRI A. G. KULKARNI: He is not supporting the monopoly houses.

SHRI N. E. BALARAM: Russia will be looked after by the Russians. There are great people there. There are good parliamentarians there. They are not like you.

My point is that the Government should have an integrated price policy. Even now they do not have an integrated price policy. (*Interruptions*) An integrated price policy means that the agriculturaists should be paid remunerative prices. The agriculturists are not paid remunerative prices. It is a fact. They are not paying remunerative prices to the agricultural people. Agriculturists comprise 60 per cent of our population. You see the difference between the prices of agricultural commodities and the prices of goods produced by the monopoly houses. I am not talking about the small scale industries. You don't have a national integrated price policy. I charge you. You do not have a national integrated price policy to encourage agricultural production and to encourage industrial production. I want to encourage industrial production. I want to encourage agricultural producton for which you must have an integrated price policy. Cut your expenditure. You can cut the non-plan expenditure. You can cut the expenditure on information and broadcasting. What is that Ministry doing? I demand that the expendture on the Ministry or Department of Information and broadcasting should be cut. (*Interruptions*) I am not talking about the radio. You can find out where you can cut the expenditure. You can do that job. You can do some home work. You should take some steps for that. Of course, you have to take some definite steps to improve the public distribution system in a big way. Do it like that. Unless you take strong and immediate steps and unless you stop this deficit financing, it will be very dangerous for our country.

SHRI MURLIDHAR CHANDRAKANT BHANDARE (Maharashtra): Mr. Vice-Chairman, Sir, the discussion is about the price situation in the country. This is one subject which should cut across all party lines because it hurts the common man and it hurts still more a poor man. Ultimately it must be remembered. I am going to place it in the forefront that inflation is the cruelest form of taxation and the burden of this cruelest form of taxation really falls on the poorest of the poor.

Secondly, talking about the people and a class from which I come—the middle class, the fixed income class, those who have fixed incomes—I would say that they are really fixed when the prices rise abnormally as they have risen recently. Therefore, my request to the Government is not to push this thing under the carpet. Let us realise the realities of the situation and put our hands together, put our efforts together to find out how best we can meet the situation. When a situation develops, it develops in one of the two ways. One is that it is providential, it is fortuitous, it is not man-made. And to that extent we are having a situation of a drought of the century. The crop loss has been colossal and it is axiomatic that whenever there is scarcity, we need not go into the economic policies but let us concentrate on the economic measures which the Government ought to take and which we should persuade and if need be force the Government to take.

Sir. I am fully conscious of the various measures which have been taken by the Government, and inflation is not only a national phenomenon but it is also an international phenomenon. And compared to the international scene, the inflation in our country has definitely been controlled. But that is not the only consolation. In fact, that is a poor consolation because as I said, the poorer people are totally unable to meet a situation of this nature. In the first instance, I am conscious that you have a Cabinet Committee which is supposed to monitor the prices from day-to-day. I know that the Government has identified 23 essential commodities over which it keeps its vigilance and sees that their supplies and prices do not vary. And I am aware of the various programmes which have been mentioned of increasing the imports and restricting the exports and the other things which are mentioned there. And last but not the least and the most welcome is the guest control order which the Government has imposed. But there is a wide gap between intentions and actions. There is all wide gap always between the programme and its implementation. And it is this gap, which as of necessity must exist in any given situation or circumstance that really hurts the common man today. Look at garlic which is selling at Rs. 60 a Kilo. Look at onion It is selling at Rs. 6 a kilo and it is a poor man's bread and butter. I do not know how he can really cope up with this kind of a situation. You have the food for work programme where the minimum wage is Rs 6 plus some subsidised food. One kilo of rice, of weat is there. But what can one do in Rs. 6? Is there no method by which we provide an automatic escalator to these Rs. 6 that as the prices rise, the Government also pay a little more so that the poor do not feel the pinch of the rising prices? I know the Government has under the circumstance—nobody can dispute that-acquitted itself quite well. But let us not be complacent about it. The crunch of the drought ill be felt as we enter the Summer....

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): For your information, so far as the minimum wages are concerned they are to be determined by the States and it varies from State to State. In some States it is Rs. 11 and in some States it is Rs. 15...

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I know it is Rs. 15 in some States.

SHRI B. K. GADHVI: It is not for the Central Government to do anything about the minimum wages of labour.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I entirely agree with you. I was making a suggestion. They vary from Rs. 6 to 15. They are to be paid by the States. But ultimately all these things are done on the general directions of the Central Government. And I was requesting the hon. Finance Minister to consider whether some sort of a formula can be worked out where in this year of drought there is some sort of escalation possible so that they can offset the rising prices well, the main difficulty...

SHRI NIRMAL CHATTERJEE (West Bengal): Guideline alone is not enough. Those people who have to pay must have the wherewithal to pay. Something should be done about that also, so that where the State pay directly, they have the wherewithal to pay. Can the Centre come to their help? It is not merely a question of guideline.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I am only making a suggestion. I am all willing for it but the whole question is that the time at my disposal is also limited and I want to make some other very important points.

[Shri Murlidhar Chandrakant Bhandare]

Now, the second thing which I want to say is that price always depends on the law of supply and demand. It is how you supply, maintain the supply, that is important. I will just show it by way of an example. It should not be understood as criticism. But it should be taken as a caution, as a sort of warning, that if the Government does not act promptly or if it does not act effectively, the prices soar and the inflation sets iner. Take, for example, edible oils, one can understand because the production is really short. But see what happened in the case of sugar where he had a record production of 85 lakh tonnes of sugar. The whoesale price index or sugar went up by 3.6 per cent during the year ended August 15, 1987. I am conscious that it came down but in the Bombay market the wholesale price of sugar shot up to Rs 631 by September-end compared with that of Rs. 575 per quintal a year ago, marking a rise of almost 10 per cent Therefore, the availability of sugar is there. you have got the highest production and you find that inflation is inexplicable. How do you explain it? Because it is how the sugar releases are made by the Government. And sugar releases are controlled by the Government. Every announcement of lower releases triggers a price rise in sugar indicating thereby that there is no room for smaller releases when demand is on the rise. If the release is lower than that of a year ago. the warning to the Government is to release substantial quantities in case it is required Enough damage is done before the Government is able to act. Therefore supply, which is in your hands. demand is not your hands be prompt about it. See that in no case the releases are less than that of the previous years.

The next point I want to make is about the price index. Whenever a debate takes place here we go by what the Government puts as the wholesale price index. No, I am not disputing this policy, a very relevant one and that is also an indicator of the prices. But for a discussion like this, I think what is more relevant is the consumer price index numbers, and I put it on two grounds: one is the consumer price index, it constitutes not only commodities but services also. Secondly, the weight assigned to food articles in consumer price index is 61 per cent, which is more representative, which is more realistic of the consumption basket than the one assigned in the wholesale price index 43 per cent. The third thing which is more important is that it takes considerable time before the wholesale price index really percolates and its benefits are available to the common man in the street.

The next point is about your public distribution system. There is one thing which has miserably failed and it is the public distribution system. I know you are opening more and more outlets. You get a statement where it is said that two thousand more shops are opened But I would like you to involve the people in this public distribution system. Look at Switzerland. The entire supplies are in the hands of cooperatives. So, I suggest that the Government should try to involve the people, involve more ladies and voluntary agencies. Let them be in charge of the mobile vans, the mobile shops with essential goods; let them distribute it in every mohalla, in every locality. You give them some thing. Let it be run by the ladies so that they don't shout. I think it is an experiment which can be undertaken. Have a pilot project in every district. You give directions and see how it works, so that ladies themselves control the prices and control distribution of essential commodities. They are more concerned and it is they who have to feed the children and feed the members of the family

There is one other thing which I fail to understand. I read that on im-

port of edible oils alone, the STC made a profit of Rs. 350 crores. I do not know for whose benefit it is. Luckily we have in Tiwariji a Minister who combines both the Finance and the Commerce, and I don't know as to how they are going to pass on this profit and how they are going to dispose of this edible oil which they have imported. I hope I will get a fairly convincing answer at the end of this debate.

Then you have a complex situation. At all times, meat and fish and chicken, the nonvegatarian food articles, cost much more than the vegetarian articles of food. For the first time you find that vegetarian articles of food, like vegetables, cost as much as meat. Now, something is worng somewhere It is directly connected with the public distribution system. But it is also connected with the fact that too much of black money is operating in the market. Those who have black money, whether the tomato sells at Rs. 15 a kg. or Rs. 5 a kg would take out a wad of currency notes and pay. I have seen with my own eyes in the market that they will let a commodity perish than sell it at competitive price. What happens in a situation like this is, hoarding increases; then adulteration increases; profiteering increases. I think Government will have to be vey vigilant against both these things, hoarding as well as adulteration. We have enacted a very salutary measure for consumer protection; I am aware that there is now a National Consumer Protection Council; but that is not enough You will have to involve non-governmental organisations, the voluntary agencies, so that they effectively control this menace. As I said at the beginning, this is not a subject where we should make only petty politics We have to see that we hold the price line at all levels through a united effort of the Government and the people.

There is nothing more that I can usefully add; but I will only request the Government to be very very vigilant. Things may slip out of hands at any time and if anything requires vigilance, it is the price situation.

Last but not the least, not only this year but even for the next two years, let us be really thrifty; let us avoid wasteful expenditure; let us really feel that the people in the country are feeling the crunch of inflation, and I do not know, whatever the measures you take, whether by asking us to pay more taxes or whether by asking us to forego a meal a week, I can assure you, I can assude the hon. Minister and the Government that the entire country will be with him in his efforts. Thank you.

SHRI M. A. BABY (Kerala): Mr. Vice-Chairman, Sir,...

SHRI B. SATYANARAYAN REDDY (Andhra Pradesh): Sir, We should go by the list of names mentioned in the agenda. ..

THE VICE-CHAIRMAN (SHRI MOSTAFA BIN QUASEM): This is not calling-Attention. You can proceed Mr. Baby.

SHRI M A. BABY: Sir, I thank you for giving me this opportunity to take part in this discussion on the price situation in the country. I was listening to the erudite and eloquent friend from the other side who spoke just before me but who, unfortunately, did not remain here to listen to the points which I am going to make.

There is no denying the fact that the question of price rise should not be politicised. This was the opening and closing sentence of my colleague's speech. I agree with him that the fire of price rise burns people belonging to all political parties, religious and language groups etc; it transcends all differences. But unfortunately, the fault for politicising the price question does not lie with the Opposition. It lies with the other side Why do I say this? No just because my learned colleague refer-

[Shri M. A. Baby]

red to this, but because of the fact that another hon. Member of this House who happens to be an all-India leader of the ruling party at the Centre and who had been recently appointed, not elected, as an all-India leader of the ruling party at the Centre, is spearheading an agitation in my home State Kerala where a left democratic front Government has been elected by the people six-seven months back. Interestingly, this all-India leader is leading the agitation in my home State against price rise. One is very happy to see that top-most leaders of the Congress (I) are in the forefront in taking up the question of price rise, even going to the extent of organising agitations. Even if some agitation is organised in Kerala against price rise. I welcome it. But against whom? This agitation against price rise in Kerala has been organised by this hon. Member of this House who happens to a Congress (I) leader also, not against the Central Government which is primarily responsible for holding the price line, but against the seven-month-old State Government in Kerala.

It is a pity that this national issue—according to Mr. Bhandare, it is a global issue—has been reduced to such levels of politicisation. We, on the other hand, would like to look at it from a scientific angle. Why is this price rise continuing? Here, I would again differ with my learned friend Mr Bhandare He said that this is a global issue. I do not agree with him on this formulation. Let us compare ourselves with a neighbour of ours on the question of inflation. The World Development Report, 1987, by the World Bank states that the average annual rate of inflation in India during the period 1980-85 stands at 7.8 per cent whereas it is only 2.4 per cent in the People's Republic of China which achieved liberation after two years of India achieving independence and the country whose economy and overall shape was worse than India at the time of achievement of liberation, which everybody knows. I do not want to quote many figures in comparison to other socialist countries or something like that. I have compared India with a country whose condition and shape of economic situation was far worse at the time of opening its economic life on a new path. So, this is not a global phenomena. This is a partial global phenomena where the means of production remain with the exploiting classes. This point, of course, I do not want to elaborate further.

Now coming to the actual situation in our country, I would like to say that in order to save the face, the Central Govenrment is trying to dabble with different figures. Even my learned colleague, Mr. Bhandare, referred to the insuffciency or inadequacy of comparing the wholesale price index. Here I would like to mention what the Reserve Bank of India itself said in its report of 1985-86. It says, a disquieting feature of the price rise, however, was that the deceleraton in wholesale prices did not percolate to consumer prices which on a point to point basis recorded a rise of 8 9 per cent during 1985-86. Again the same point when it is further elaborated in the report. Similarly the National Council of Applied Economics Research in its report submitted to the Reserve Bank of India also referred to the same phenomena.

Now I would like to refer to certain figures placed before the other House by the hon. Minister of Finance just to place the gravity and magnitude of the problem Rice per kilo in Delhi cost Rs 3 50 in October 1984 whereas this has gone to Rs. 4.50 in October 1987. Onions, the price in 1984 was Rs. 2 50 per kg. and it has gone up to Rs. 6 in October 1987. Fish, per kilo was Rs. 16 in 1984 and now it is Rs. 35. Groundnut Oil, Rs. 23 per kg in 1984 and it is Rs 32 per kg now. Now comes the price of salt It was 60 paise per kilo in 1984 and today it is Rs. 2 per kilo. Here I am forced to recall the historic struggle launched by Mahatma

Gandhi against the Britishers. Salt satyagraha was undertaken. In the present situation when the price of salt is going up in such a manner, the people of this country will be forced to take recourse to similar agitation on the question of salt price increase. Similarly, the cost of arhar dal in 1984 was Rs. 6.50 per kilo and now it is Rs. 10 35 Potatoes, it was Rs 2.50 per kilot in 1984, now is Rs. 3 50 Milk Rs. 4.50 per kilo in 1984, now it is Rs. 6. Meat, it was Rs. 20 per kilo in 1984, now it is Rs. 30. Sugar cost was Rs. 5.50 per kilo in 1984, now it is Rs 7 per kg. Mustard oil, Rs 17 per kilo in 1984 and now it is Rs. 29. Similarly, the price of essential commodities has shown an astronomical increase.

This has been rightly referred to as a very alarming price situaton. But there is no signal of this coming down in the coming days. I do not know how to describe the further possible increase in the coming days. That is what agitates my mind.

Sir, as I have to leave some time for my esteemed colleague, Shri Nirmal Chatterjee, I do not want to exceed my time. On the one hand we find the inflationary trend growing very fast, on the other hand we find that the Central Government has adopted a very cruel attitude in relation to fixing up the consumer price index. Recently a proposal has been made that the base year is going to be shifted from 1960 to 1982. Here I would like to ask; are you taking into consideration the proposal made by the Rath Committee in the year 1978-79 regarding arrangement of consumer price index because that Committee in its studies found that the 1960 series was faulty at eight points All responsible trade unions protested against this and demanded that the whole thing should be revised. This point should be taken into consideration

Again, the Rath Committee recommended that a tripartite committee should be formed to arrange the modalities for fixing the consumer price index. The Central Government has not done that I would like to ask a pointed question of the Central Government: in the alarming price situation, are you prepared to nationalise the wholesale trade of essential commodities? This is the single question I would like to ask the Central Government. Again are you prepared to distribute essential commodities through fair price shops? Are you prepared to sternly deal with blackmarketeers and hoarders? If you can take these three steps, the spiralling prices can be controlled to some extent—only to some extent This is not a basic solution. Still the poor people can benefit if at least these three primary responsibilities are taken by the Central Government.

I am concluding, Sir. Now the value of rupee is going down like anything. You can only compare the depreciation of the credibility of the Central Government to the depreciation of the value of rupee. Now on the currency note, you declare that you are promising to give the sum of so and so—whatever is the denomination of the note This is the promise given by the Reserve Bank on behalf of the Central Government. But this is a naked fraud. The value of the rupee is a little more than 12 paise, or even less than that. By the time I complete my speech, it will depreciate further. When that is the fact, the Central Government and the Reserve Bank of India are giving this false promise "we promise to pay the bearer the sum of. . ." This is very bad on the part of the Central Government. I would even like to request that it is better for the Central Government to withdraw that promise so that at least we can say that the Central Government is not itself practising fraudulent deeds I hope that considering the serious situation in our country and considered the plight of the poor people whose purchasing power is sagging like anything, the Central Government will come forward with more meaningful steps rather than just giving fraudulent promises in this House

[Shri M. A. Baby]

and remaining under the cosy illusion that something will happen which will save us from the situation.

With these words, I conclude. Thank you.

SHRI A. G. KULKARNI: Mr. Vice-Chairman, Sir, I thank you for giving me an oportunity to participate in this important discussion.

Sir, I can see that this whole problem of management of the economy during this drought crunch is very difficult. We have, in this country, gone on with such occasions many times and I remember that on one occasion, when the present distingushed President was the Finance Minister, a very eleaborate discussion took place on management of the econonomy, whether it should be a demand management or a supply management.

Sir, I am not going to spend my time on quoting various indices, which were eloquently brought out by many speakers here and they have also come out in the press I am not concerned with the wholesale price index, which has no relation whatsoever to the day-to-day living of the common people. What I find is that the present consumer price index for industrial workers, with the year 1960 as the base, is 736 points, and there is a rise, roughly, of 9.5 per cent on a point-to-point basis. Secondly, along with the consumer priec index, the money value is eroded, roughly, to 66 per cent and I am vary much surprised that this is so though our rupee has been joined with a basket of western currencies, or whatever you call it. I could not convince myself that the erosion of the rupee value, which is eating into the common man's purchasing power, has been properly appreciated by the Government.

Mr. Finance Minister with due respect to you, I read your reply in the Lok Sabha. It didn't convince me. Let me be vary fair to you. You said, "Yes, the rupee value has gone down to 14 or 13.6 paise or something like that, but the per capita income has increased." What is the relationship between rupee value and per capita income? Sir, I know that there is the constraint of time, but let me tell you: Per capita income is the income of the first, elite, 10 per cent along with the pauper, the lowest person in the village This is an average income. These have got no relationship whatsoever. "Per capita income has increased" means, the elitist classes, the industrialists have been given more concessions and more black money is being generated. That is why there are such figures which are not correctly giving the rupee value and its impact on the masses in this country.

Mr Minister, here I want to bring to your notice that there are two options open. Why has the dollar crashed? It is due to Reaganomics. Without any consideration whatsoever, with whatever expertise he has got, he increased the deficit of the Government in trillions, and the money was spent on Defence, at the cost of social benefits to the common people. And we must take a lesson out of this—why the dollar has crashed. The entire world is suffering the tremors of the dollar crash.

Here, Mr. Vice-Chairman, I find that rising Government expenditure is one of the causes—which is giving me a little bit of anxiety. In 1986-87 the Government had spent about Rs. 95,000 crores, which is 35 per cent of the GDP, as against 33 7 and 34.2 per cent

5.00 A.M. You are increasing by leaps and bounds the Government expenditure. Then, about deficit financing, what is happening in America is happening in this country on these grounds The deficit financing was about Rs 8,255 crores in 1986-87. Your total deficit celing for the Plan period has already been exceeded in the first

two-and-a—half years So, I think, this is one of the criteria which need your attention.

Similarly, the rising subsidies. We have now to say no to something, no to somewhere, no to somebody. Don't give concessions to every Tom, Dick and Harry who asks in organised lobby and comes to the Government. We are begging for money for drought. We have already got about Rs. 600 crores, Rs. 700 crores But that money costs. It is not a gift When the money costs, it is the duty of the Government that money is prudently used.

Debt-servicing is another aspect of the whole matter About the debt-servicing, I have got some figures from the Parliament Research Section. Between 1982 and 1986 or so, in six and seven years the debt has increasing by Rs 20,213 crores plus the IMF loan plus the internal debt which is a staggering figure. From where are we going to pay the interest on the staggering debt?

Then, Sir, I think, the third point which calls for your attention is this. The Reserve Bank Governor has made a mention of it. I have got the M-3 figures and M-2 figures in the Reserve Bank of India Currency Report. They are still in control. But control of money supply is one of the methods and one of the instruments which is to be adopted.

Sir, the Centre for Monitoring Economic Policy which is a group of renowned ecnomists, has given lucidly only three points for consideration. The fall in the agricultural production, the defict financing and the Government expenditure are threatening the entire economic structure of this country. I need not again give because the Finance Minister is expected to know and he is a knowledgeable person. He knows the economics of the country. But 10 per cent drop in the agricultural production - this year it is expected to be 15 per cent - will bring down the rural income by Rs 9,000 crores. Twenty five per cent of the small farmers and two-thirds of the landless labour will be pushed down the poverty line. We have already brought them above the poverty line. These are threatening facts, and so, I would request the Finance Minister to look into them.

Th fall in demand of the industrial products will range between Rs 2,000 to 4,000 crores. It means unemployment, it means problems So, I think, Mr Finance Minster, these are some of the avenues which require your attention

What is the way out? I remember Mr. Venkataraman's speech on that day here. He says that the need of the hour is to manage and adopt supply-side economy. That is still necessary here, that still holds good. Supply-side economy is very much necessary. The inflation in this country is cost-push inflation. There are many experts sitting there who are economists. But, Sir, my own thinking is that the cost -push economy can be only put down by proper supply side management of the economy Here it is due to low capacity utilisation

SHRI NIRMAL CHATTERJEE: Kulkarniji, there is one thing. You criticised the Reagan economic policy. But, perhaps, you should be told also that the Reagan economics is precisely characterised as supply-side economics. So there is some confusion of terms

SHRI A G. KULKARNI I know Reagan economics is supply side economics at the cost of heavy defence expenditure. It does not go to the common man. I am only for common man. You are talking smething about Russian defence expenditure.

On low capacity utilisation and cost escalation, the Programme Implementing Ministry has submitted a report wherein they have pointed out that in 200 projects the cost escalation is not less than Rs. 20,000 crores. Don't take up new projects for heavens' sake. We do not have money. We go on announcing new projects only for political purposes. We put up, what you call it, the foundation-stone of this and that. I remember some 15 years back we had put up the foundation-stone for some steel plant, nothing is there except the land. So far heaven's sake let us not politicise the cost escalation in the public sector.

[Shri A. G. Kulkarni]

I am going hurriedly becaus I know that you are very much short of time. Regarding improving the productivity, a great thrust is necessary in the economic policy, planning priorities of the Government in the coming two years. Leave aside production of luxury items which are consumed by 10 per cent elite like polyester yarn, polyester cloth and powder. I cannot even remember the names of the powder because I have not used them. The items which are consumed by the elitist have not only to be stopped but put down and put back and consumer items, essential commodities have to be given maximum priority.

Another thing is control on administered prices. Some of my friends from the other side spoke about administered prices To my knowledge, if I am wrong, perhaps the Finance Minister can correct me. the increase in adminstered prices is responsible for one-third of the inflation in this country. You are increasing the administered prices because you want to meet the demand of the wages, because of the inefficiency of the administration, because of the corruption in the public sector and the private sector. So all these things are adding whereby the administered prices are getting increased. This is hurting the poor man of this country. It is not a laissez-faire economy that we should adopt. Supply side economics should go in with all its relevant ramifications and parameters everywhere

Now, I want to read something so that I may not quote wrongly. Our prime focus must be to raise the income levels of the people particularly of those who are living below the poverty line. Such an effort has to be complemented by a proportionate, if not higher, increase in the production what they would spend their incomes on. The pursuit of these objectives on efficiency in the allocation and use of resources would provide the best safeguard against inflation

My last point which is in my original speech is about black money I have written to the Minister various letters, particularly a letter wherein I have pointed out about begging for money from foreign countries We are giving concessions to various industrialists in this country. I do not want to name them. It is wrong on my part if I do so. But, at the same time, I would draw your ottention that the market is flooded with rumours that the Government is in league with the people who deal in black money to subvert bureaucracy, to subvert democracy. I am not against one person or another. You hang all of them at Vijay Chowk, I don't mind. But the point is the credibility of the Government-the last person in the village who is going to vote us to power back is at stake. And we are being much maligned for showing our soft options towards the industrialists and about black money. This is not an occasion to speak on black money. Our friends have stated about the public distribution system. Yesterday, there was a national level meeting of some political party and one of my friends had come there. That frind is a very leading active worker from Bombay. I asked him, "you are agitating for price rise with those pins etc, I have gone through the villages I say where the Gram Panchayat chief belongs to opposite political party, do you mean to say that the public distribution system works properly?" He said, that is also right. Then I said, "why blame Congresswalas?" Every political party is taking benefit of the shortage. I asked a friend of mine yesterday. I want to say, this is one of the aspects which has got to be gone into. The public distribution system is being abused by political workers Even though Mr. H. K. L. Bhagat may say, he has increased so many shops, actually, there is an abuse of public distribution system, abuse of employment guarantee scheme and various State Government reports have come where they have very tersely criticised the adminstration of these instruments which really should help poor people. Sir, as a party man, I was asked to visit the villages. I have visited. I have made a report to my party general secretary, giving names of shops where such things are happening in my district only. I canot go all over India. I have gone there and I found that the public distribution system is 60 to 70 percent a fraud. Up to 20 per cent, some poor man must be getting things and God alone knows

why they are getting such things. What I have submitted to you is the supply side economy, the administered prices, the deficit financing, indebtedness to other countries, the debt servicing and all these aspects are not only to be looked into but are to be monitored on an hour-to-hour basis and the last point which I menitoned to you is about black money which is actually hurting your economy. A parallel economy is being worked in this country and the party name is being abused by these industrialists, who play havoc with the bureaucracy and politicians. Thank you *(Interruptions)*.

SHRI NIRMAL CHATERJEE. Are you coming to our fold? Will you join us?

SHRI A. G. KULKARNI: My party has got enough democracy. They do not want to push me to that side. They would like me to stay with them and there is no possibility of my joining that side.

SHRI RENUKA CHOWDHURY (Andhra Pradesh): Mr. Vice-Chairman, Sir, while I would like to associate with all my learned colleagues for what they have spoken on the price rise of consumer items in terms of economic parameters, while I laud them for using their experience and their knowledge on the subject of economic parameters of why the prices have gone up and how it is going to affect us economically as a country and macro-economically in terms of international economics etc., I rise to represent the millions of women in this country who are responsible for feeding their homes. I speak from a humanitarian angle and I want to draw your attention, as an educated house-wife, what price rise in this country means to us directly, without going into the elaborations of this particular asepct in our country today.

[The Vice-Chairman (Shri H. Hanumanthappa) in the Chair]

I do not think, India has even been at this worst level, morally, emotionally, financially and economically and nature has also been so cruel to us in this year that I cannot help but sound terribly pessimistic about it. Now, while I am on this, much has been said about public distribution system. Public distribution system will come back to the States. The ball is going to be pushed into the States' court. But, in order to have an effective public distribution system, as earlier a colleague of mine has spoken, it has to transcend party limits. It is a common problem because unless the Centre feeds the States, we cannot feed our people. We cannot view it as a State subject because it is the Governments that are responsible for feeding the nation. Price rise is affecting our nation. All of us have to have a collective responsibility. To make an effective public distribution, the supplies have to come from the Centre. Naturally, when the subject of the Centre feeding the States comes then the question of buffer stocks arise. The buffer stock carried so far, is a laudable effort. But I have a hunch that maybe, the wheat stock is enough. I would like the Minister to clarify whether we have enough rice. Do we have enough rice to meet the needs of the rice-eating people of this country? Also, should, God forbid God forbid that nature repeat its act on this country, again next year, what are we going to do for procuring our buffer stocks? The Government itself has laid down the price, something to the tune of Rs. 173 or so for wheat and similarly for rice and has called them as bonuses, remunerative prices to the farmers. What is the price that is being paid to the farmers? There is a yawning gap between that and the retail price that it is being sold at. So, this has to be taken into consideration if you want a realistic image of trying to control price rise. This is a vital point that must be considered. There are middlemen. Even in this field, there are middlemen between wholesale and retail It is a point of which we need public consciousness An hon. Member spoke of voluntary agencies of women It is not a women's problem. You men are bringing home the pay packets and within your pay packets, you expect to be fed. So it is not just our problem as women It is men who are to be responsible. Go and stand in the ration queue and then only you will appreciate

[Shri H. Hanumanthappa]

what the woman does. We are better financial managers. There are touts between the retail market and the home of the housewife. This should be taken cognizance of. We cannot just go on harping on 'the poor people' We cannot go on talking of 'roti, kapda aur makaan for the poor'. The middle class is equally affected. It s worse affected because it has a socio-economic status which it has to maintain. It is unable to do it because of the continuous price rise in every field that we are surrounded by.

SHRI A. G KULKARNI: The money comes from the partner of the lady.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): She has already said that She has acknowledged that.

SHRIMATI RENUKA CHOWDHURY: We are treated as unskilled labour. We are always on a temporary basis, not even a permanent job for us, because tomorrow we have to commit 'sati'.

(*Interruption*)

मैं कुछ सुनना नहीं चाहती हूं, मैं बोलना चाहती हूं। So, that needs consumer awareness. It has to come at the national level to fight for quality and price. We have to get value worth our money. Otherwise it negates it. It becomes involuted I had asked the Minister to give me his projections regarding wheat and rice requirements We cannot be complacent that we as a nation are very stable today in tackling inflation as compared to the West or Japan where the stock-market has crashed and recession is setting in a big way we cannot afford to be complacent. Firstly, don't compare the size of our nation to the size of other nations. We have a lot more mouths to feed. We cannot sit back and relax saying that we as a nation are much better off today. What about tomorrow? And we are not doing very well today either. I am really depressed that we are taking solace, that we are searching within ourselves, we are patting ourselves, that the international market has worsened and hence we are better off today. It is the most ridiculous comparison that anyone would make today. Some honourable Member quoted regarding sugar price. The international sugar price is much lower than the regional local, sugar price, the price of sugar that we produce. Why is it so? Is it more economical for us to import sugar at that cost and then supply it in open market than to produce our own sugar? We are also importing alcohol giving concessions in import duties while we have enough number of units which are going in glut in certain States because of improper taxing policy. Therefore, taking all these factors into consideration we cannot view the rising price index in isolation of all other aspects of development in our country. By this I mean if the price rise continues like this our national health programme will suffer, we cannot provide a nutritionally balanced food which in turn is going to result in malnutrition of our masses and there will be an outbreak of epidemic all over. When that happens, I do not know whether the Human Resources Ministry or anybody else can come forward and do anything about it It is indeed a pathetic situation. Most of us read in the newspapers daily, almost everyday, that at such and such a place a family has committed suicide—husband and wife throw their children into a well or husband and wife kill their children and hang themselves because they could not feed their children and themselves. This is shameful; it is humiliation of the human spirit. After forty years of independence we still only make tall claims of what we have achived as a nation. I hold all of us, every party, responsible for this pathetic state of affairs. We shamelessly go to the poor man in every corner and beg for his vote and he, in his uneducated unawareness, votes for us repeatedly in the hope that he will be fed at least now in this independent India. But we have failed to reach that target even today. What is worse, we are going backwards This is the crux of the price rise. It is very well to superimpose it with legal parameters, economic parameters, in black and white, talk about this and that, appoint this commission or that commission. Let us try to comprehend in a vision, in a much broader vision, what it means to this nation if prices rise of basic essential

commodities like edible oils which is your source of Vitamins A to E, your pulses, your cereals, carbohydrates, protein, egg, milk, and so on, which are so much needed for developing a better generation, a better people, for the nation of tomorrow, the generation which is going to inherit us. Whether our child shall inherit this earth or inherit the atom bomb, much depends upon the price that you are willing to pay; it depends upon the budget sanctions that you are willing to make, it depends upon how you want to develop the nation and solve your roti, kapada aur makan With these words I thank you for giving me a patient hearing

SHRI CHIMANBHAI MEHTA (Gujarat): Mr. Vice-Chairman, the question of price situation is one of the most sensitive issues today in our country, next only to the drought situation. Therefore, no one can afford to make it a patrisan or narrow political issue. At the Centre the Government is of the Congress· in the States the Opposition is also ruling. They, Opposition Government do have a role to play for holding the price line to some extent though not to a great extent.

But we cannot look at the whole issue in isolation. This is also related to the world phenomena This background of world phenomena should not be utilized for the justification of the price rise here. It is just to understand how the prices are rising elsewhere and whether we can learn something from those countries. Now, if the inflation is not checked in time, where will it lead to? There is a small book published by the Tatas which has given some important figures relating to inflation. They have said that between 1981 and 1984, the annual rate of increase of consumer prices in India was 10.2 per cent, in Brazil it was 120 per cent, in Iran it was 19 per cent; in Italy it was 16 per cent; in Mexico it was 61 per cent; in Sri Lanka it was 15 per cent· in the U.K. it was 7 per cent; and, in the USA, it was 6 per cent. For the USSR, they have not given the figures.

These figures relate to the third world countries and also the capitalist countries. So, in some countries inflation is running at a great speed and you see that at a great speed and you will see that it has something to do with the political conditions there. Wherever there is a higher rate of inflation and the speed of inflation is greater, there is also a political instabiltiy which occurs. In India, it is 10 per cent during the four years that they have mentioned and afterwards it might have gone a little bit above that. This is causing a lot of worries to us about the stability to our political and social order Of course, we are much better compared to Mexico and Brazil. But we cannot compare ourselves with them. Look at the USA. They have crashed. The shares have gone down and then went down so much that compared to India's national income it was three times more and the shares came down, tumbled down, like that. Therefore, even a one-per-cent rise in inflation makes a lot of difference. So, how to minimise our inflation rate is the real problem now.

I am sorry, Sir, because once again I have to resort to some statistics given in the same book which are authentic. Now, inflation also has something to do with tax evasion and tax policies, and it has much to do with economic development. Tax evasion has ocurred in our country. Of course, there cannot be any official figures But these figures are based on the experts' investigative journalism. One is by Dr. Vito Tanzi who has published an article in the IMF "Finance and Development", December 1983, and the other is the Report of the National Institute of Public Finance and Policy, published in March 1985 in India. Tax evasion in India from 18 to 21 per cent of the GNP which means almost the total amount of our Central Budget. This is the tax evasion; In Australia, it is 11 per cent; then in Finland it is 7 per cent; in Italy, it is 10 to 20 per cent. There is varies because there is no authentic figure and different experts have given different figures on the basis of their own investigation and methods of research. In the U.K it is 2 to 7 per cent. In Japan it is 4 per cent. In the USA it is 6 to 22 per cent In the USSR, a socialist country, the evasion is there up to 10 per cent. But in India it is fairly high: 18 to 21 per cent. Now such a tax evasion is

[Shri Chimanbhai Mehta]

bound to generate a parallel economy and black money. And with the black money, with such huge, immense resources in the hands of these people, they can buy the bureacracy, the politicians, political parties, wholesale also Therefore, one has to look how instability arises.

Sir, I was recently studying about indirect taxation, particularly about the textile industry, because more than 2 lakh workers got unemployed due to closure of mills in the textile sector a job, a trade we have been performing for centuries and we have been exporting textiles in the world. And now smuggled cloth is coming, hitting our industry and. . .

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): Worth Rs. 3000 crores!

SHRI CHIMANBHAI MEHTA: Yes, I am coming to that. I don't think that polyester is elitist cloth. No, Sir, It may look silky. It is three times more durable. It does not take so much of soap or powder; washing can be done easily. The lower middle class and people in the villages are also using it. Therefore, the Government of India in the Seventh and Eighth Plans made high projections for polyester that have surpassed targets in certain respects. The polyester filament production has come to such a stage that unless we export the same, the industry may collapse. The whole handling is being done in such manner.

Indirect taxation collection which was just Rs 30 crores when initiated is more than Rs. 20,000 crores today. If you look at the whole thing, that means it has gone up 700 times. Then, take the administered prices. After having taxed so much, we also got panicky...(*Time bell rings*) I was making a study recently about polyester filament yarn. It is a technical problem. I do not want to take your time on this. I will give one example. The actual cost of production of DMT, basic raw material with Indian technology is Rs. 32. It is sold in the market at Rs. 144 to Rs. 147 per kg. whole sale price—almost five times.

If you permit me, I will take a little more time because I am talking about very important things. Generally, I never ask for time.

There is the hidden tax. The hidden tax goes into it, because when you import a plant to manufacture DMT or PTA, the plant that can be erected at a cost of Rs. 50 crores in overseas is erected at Rs. 150 crores in India. The customs duty make it like this. Take steel. Take cement. These are three times high cost inputs in our country. The interest rate overseas is 8 per cent. We charge interest at the rate of 15 per cent. Therefore, the basic capital cost becomes very high. Then comes the cost of basic raw materials Now, Naphtha is a Government manufactured product It is available at 50 per cent less price in overseas markets. Our electricity rates are three times higher than the overseas rates Our fuel cost is double or more than double compared to other countries. With this high capital and input ratio we are producing D.M.T. and P.T.A. Then we produce the polyster filament yarn a raw material for final product The real cost is Rs. 32|-. We We have to add Rs. 18|- for high capital cost structure and input prices. It comes to Rs. 50|-. On that, there is a duty of Rs. 84|- per kilogram. On the goods worth Rs. 32|-, you impose an excise duty of Rs. 84|- After that comes sales tax. Had it been sold in the market at Rs. 32|-, then the wholesaler's profit would have been Rs. 5|-. After adding the sales-tax at 4 per cent, it would have been Rs. 36|-. I have calculated that out of Rs. 147|-, the real cost is Rs. 32|- plus wholesaler's profit, it would have been Rs. 38|-. Out of Rs. 115|-, Rs. 8|- or Rs 9|- you take profit and rest Rs. 106/- are Government and semi-Government taxes. Since this is my Government, the Government of India—it does not matter whether it is Janata Government, Congres Government or any other Government I will be mild. Had there been Britishers, I would have said that they are plundering our country. This is not the way of handling the economy. You invite smuggling You sell at such a high cost. Then international smuggling comes in. There is smuggling of 200 crore metres worth Rs. 3000 crores. I want to foget that. But you are making

your workers unemployed. There are 2 lakh workers in the textile sector who are unemployed. They are starving and dying. I want replies for all these things. I have written to Ministers. I have been writing for the last 5 years. If you can't reduce taxation, destroy the goods that are coming so that no shop can sell them. They don't do that also. It might be said that somebody is influencing. Some smugglers may be having influence In Gujarat, some bootleggers are forcing the Government to insist on prohibition. I do not want to level any charges. This is a very heart-burning story. The bureacrats don't want to understand it. The hon. Minister does not have the time to go into the details of these questions. That is about textiles. You say how can you lose Rs. 1400 crores of excise duty. But you are losing Rs 3000 crores worth of foreign exchange and 2 lakh workers are out of employment Is this the way to handle economy? Therefore, I say, you study minutely the indirect taxation. I do not want the Government to lose Rs. 1400 crores at all. You can produce the cloth at a cheaper rate here after tax review. That will bring more employment, that will give you more revenue in sales tax, income-tax, etc Sir, Indian textile is exportable. We can export. Today polyester filament can be exported and it is being exported. Polyester fibre is being exported. Who thought of such things some time back? What is to be exported, we are not exporting. Make it exportable. And this is the way to bring down the prices. This is the only one example that I have given of the textiles. There are innumerable number of them. I have not been able to study them because I am dealing with the textiles I am a trade union worker. From that angle, I have to go deep into it. Therefore, I brought out one aspect. .

SHRI B. K. GADHVI: It has also got cotton component...

SHRI CHIMANBHAI MEHTA: Cotton can be exported throughout the world. We are not doing it because once you export the cotton. the prices shoot up immediately here and the mills are affected. Neither you are understanding the problem of cotton nor of polyester fibre nor of polyester filament. This is the whole trouble with you. You talk of *desi* when I talk of *videsi*. And when I talk of *videsi*, you just come out as a patriot and talk of *swadesi*. This is not the way to deal with the issue.

Now rupee value is going down, as everybody says. Today it is worth one paise compared to the price that was in 1947. Of course, compared to Mexico, Italy, Iran and Egypt, we are better off. But if the rupee value goes down like this, then we will suffer terribly. Now, West Bengal friends are not there. Mr. Nirmal Chatterjee is there. I know he is enjoying at the moment. (*Interruptions*) I am saying how the bureaciacy and the Governments are handling the economy.

[The Vice-Chairman, (Shri Mostafa Bin Quasem) in the Chair]

Sir, this morning I was reading "commerce" weekly. There they have given a figures about the West Bengal sick industries; where eight workers can be employed, they are employing 25 workers. Of course unemployment should not be there. But ultimately the burden goes on to whom? They have given the example of dozens of industries where there is much more staffing, there is obsolete machinery and no proper management. I do not blame only the Congress Government. This is the national characteristic. Therefore, I am not saying that alone. Had there been a Janata Government at the Centre or any other Government, I would have said the same thing. But here, we as Indians, have not understood the urgency of the situation. Still we go by routine bureaucratic handling. Ministers are not able to do studies. I do not know whether Kanhai Bhattacharya belongs to the Left Government Ministry in West Bengal. He is an ex-Minister of Industry. It was mentioned that when he said that the obsolete industries which are losing Rs. 20 crores per year—for a State Government, it is a sizeable amount—should be sold to the private industrialists, then immediately a dogmatist view came up saying that we are going to privatise industry. Now the State sector means inefficiency in cer-

[Shri Chimanbhai Mehta]

tain cases. How long do we want to be dogmatic? If the Government says something, you say, oh', you are selling your interests to the foreign nations, and liberalism is not permitted. Now the whole thing has to be looked into concretely. China has become much more liberal in that respect. I do not want you to say that. You initiate them. They are discussing national economy. They have found out their own concrete way. We might also go liberal. We must find out our own way. Today the NTC has lost more than one thousand crores this year. Demand is for greater nationalisation of other closed textiles mills There are 127 mills which are closed. Recently I had requested Mirdhaji to come out with a proposal that workers should run these mills on a cooperative basis and State Government should give the aid. That proposal was put before all the trade union leaders. My trade union was also there. They all rejected. They said, no no, State must run them. When the workers are being offered industry and the State is going to assist financially, they did not discuss anything in concrete. Just outright rejection, it cannot be run in a co-operative manner, they should not shoulder responsibility, that is what they said.

When indirect assistance comes to Rs. 20,000 crores, I am also forced to shout here. It is an overall phenomena I am saying that everybody want to behave. I am sorry, including myself, I would like to put it in that way, irresponsibly. Some sobriety we have to inculcate. Otherwise we all would be suffering and, therefore, I would request the hon. Minister to call a meeting of political leaders, trade union leaders and bring all these people together and see how such huge expenditure can be reduced.

Then, our defence expenditure is also mounting. We do not know how much more it will go up in future and we generally do not discuss defence budgets But the time may come when we have to discuss all these issues.

Money supply has gone up more than 100 times. Internal public debt since 1965 has gone up by 16 times. The wholesale price index between 1900 and 1947 has risen by 250 per cent, between two wars, the first world war and the second world war, and mind well, it increased by two and a half times only, but between 1947 and 1987, in four decades it has increased by 1000 per cent *i.e*, 10 times. We should look into it and see how we are manning the whole economy. (*Time bell rings*).

It has been said that this tax evasion is corrupting our system. In 1964 the World Bank made a sutdy and they said that in India 7.3 per cent of the national income is taken as bribe. Such a huge amount. Now they have concluded that the figure must have gone up to 10 per cent of the Gross National Product, i.e., 22,000 crore rupees per annum as bribes, pay-offs and kickbacks. At that time in 1964 they worked out that corruption in public investment was of the order of Rs. 36 crores, imports, Rs. 1,000 crores, controlled commodities Rs. 310 crores, credit rationing Rs. 40 crores and Railways Rs 60 crores. Now, everything is going up in this direction. So, the most important thing is to bring a sense of urgency and patriotism in it. This issue is not to be debated as if some rivals are discussing and the aim is to score debating points.

I have the highest regard for Mr. Jyoti Basu and Namboodiripad. He is a very pragmatic person and a great patriot of our country. But other are also there and they there in the Central Government also. They are also to be respected. We are not to doubt their *bona fides*. Let us come to some concrete points. Why, N. D. Tiwari was a freedom fighter since his student days and he has suffered imprisonment. Many of them have suffered. Let us come to some conclusion as to how to handle the economy, not by dogmatic theories but through some pragmatism and looking at the best interests of the country I think the immediate task is to hold the priceline and bring down the prices. For that, previous speakers have given good suggestions and I support all of them.

I know I have taken a little more time. Thank you

श्री प्रमोद महाजन (महाराष्ट्र) : उपसभाध्यक्ष जी, आज हमें विश्वास हो गया है कि यह सरकार हमें शीघ्र गति से इक्कीसवीं सदी में जरूर ले जायेगी। इक्कीसवीं सदी तो अपनी गति और समय से आयेगी लेकिन देश की मूल्य स्थिति, मंहगाई आज ही इक्कीसवीं सदी के रूप में हिन्दुस्तान में आ चुकी है। गरीब जनता का वेतन तो धीरे-धीरे सीढ़ियों से ऊपर चढ़ रहा है, लेकिन वस्तुओं की कीमतें मानो लिफ्ट से ऊपर जा रही है। अपर्याप्त वेतन में इन कीमतों को पकड़ना लगभग असम्भव हो रहा है। वेतन सीढ़ियों से ऊपर चढ़ रहा है और कीमतें लिफ्ट से ऊपर जा रही है। लगता यह है कि सरकार तमाशबीन बनकर चुपचाप देख रही है। सरकार की ओर से कहा जाता है कि इस प्रकार जिस मंहगाई का प्रमुख कारण निसर्ग निर्मित है। यह सच है कि इस शताब्दी के सबसे भयानक सूखे से हम जूझ रहे हैं और बाढ़ की स्थिति ने परिस्थिति को और भी गंभीर कर दिया है। यद्यपि आज हमारे पास अनाज का पर्याप्त भंडार इस क्षण है लेकिन आने वाले दिनों में सूखे और बाढ़ के कारण निर्मित अनाज की कमी से मंहगाई के चक्र को अधिक गति मिलेगी और उस स्थिति का सामना करने के लिये अगर हम विदेशों से भी कुछ चीजें मंगाने का प्रयास करें तो विदेशी मुद्रा का अभाव इस दिशा में हमें ज्यादा बढ़ने का अवसर नहीं देगा और इसलिये स्वाभाविक रूप से एक अत्यन्त भयानक मंहगाई की ओर देश जायेगा। लेकिन क्या यह सच है कि मंहगाई का एक मात्र कारण निसर्ग निर्मित है? यह एक कारण हो सकता है। लेकिन एक मात्र कारण यह नहीं है। मंहगाई का अधिकांश कारण तो मनुष्य निर्मित है, हिन्दुस्तान की सरकार द्वारा निर्मित है और हमारी अर्थ व्यवस्था का एक समग्र रूप है। प्रश्न यह है कि क्या यह सरकार गंभीरतापूर्वक इस मनुष्य निर्मित कारणों को दूर करने का प्रयास करेगी। किसी ने सुझाव दिया कि सप्ताह में एक बार भोजन न करें। इसमें हमें कोई आपत्ति नहीं है। लेकिन इससे मूल्य स्थिति पर नियंत्रण नहीं आयेगा दिन में एक बार भोजन न करने वाले करोड़ों लोग सप्ताह में एक बार भोजन न करें इस प्रकार की घोषणा से, या इस प्रकार की नाटकीय घोषणाओं के द्वारा हम महंगाई पर नियंत्रण नहीं कर सकते हैं। महंगाई के चक्र को अगर सबसे अधिक कोई गति देता है तो वह स्वयं सरकार गति देती है। अर्थ व्यवस्था को तेज करने वाली जितनी चीजें हैं, महंगाई का चक्र घुमाने वाली जितनी चीजें है, डीजल और पेट्रोल से लेकर लोहा और इस्पात तक, इन समग्र प्रमुख वस्तुओं की कीमत सरकार स्वयं तय करती है। अपनी गलत अर्थ व्यवस्था की शिकार अपनी गलत प्रशासनिक व्यवस्था की शिकार यह सरकार अपनी नियंत्रित वस्तुओं का दाम बढ़ाना सबसे आसान तरीका अर्थ व्यवस्था को सुधारने को मानती है। मैं सत्तारूढ़ दल के कुछ मित्रों की इस राय से सहमत नहीं हूं कि इस क्षेत्र में काम करने वाले मजदूरों का वेतन बढ़ता है इसलिये हमें उसकी कीमत बढ़ानी पड़ती है। मजदूरों का वेतन बढ़ाने से कीमत बढ़ाना यह हम उल्टा अर्थ शास्त्र देख रहे हैं। महंगाई के कारण मजदूरों का वेतन बढ़ाना आवश्यक हो जाता है और उस आवश्यकता की पूर्ति हम कर नहीं सकते, इसके पीछे हम नहीं छिप सकते कि इन सरकारी निर्मित वस्तुओं की कीमत इसलिये बढ़ा रहे हैं। इसलिए महंगाई का यह चक्र तो सरकार द्वारा निर्मित वस्तुओं से सबसे अधिक यदि शुरू होता है तो क्या सरकार आज यह दो टूक आश्वासन देगी कि कम से कम आने वाले बजट तक किसी भी सरकारी निर्मित वस्तुओं की कीमत में किसी भी प्रकार की कोई भी वृद्धि नहीं होगी। यदि सरकार अपने द्वारा निर्मित वस्तुओं की कीमत में वृद्धि करना प्रारम्भ कर दे तो महंगाई के इस चक्र को सरकार कभी नहीं रोक सकती। इसलिए मंत्री महोदय के उत्तर में मैं चाहूंगा कि वह इस बात का स्पष्टीकरण दें कि वे अगले आने वाले बजट तक सरकारी निर्मित वस्तुओं की कीमत बढ़ाने का प्रयास नहीं करेंगे। महंगाई का संकट जब कभी छोटे परिवार पर आता है तब परिवार का

[श्री प्रमोद महाजन]

मुखिया सबसे पहले अपने अनावश्यक खर्च पर कटौती लगाता है । देश के अर्थ मंत्री को भी इस प्रकार का ही व्यवहार करना चाहिये । लेकिन दुर्भाग्यवश ऐसा अनुभव नहीं हो रहा है । प्रशासनिक खर्च में तो कटौती दूर रही मदी का सबसे बड़ा सूखा, भयानक बाढ़, महंगाई से हाहाकार और ऐसी स्थिति में सारा हमारा देश तथाकथित सांस्कृतिक महोत्सवों पर करोड़ों रुपया बरबाद कर रहा है । महंगाई की आग में जलने वाले करोड़ों भूखे लोगों के सामने करोड़ो रुपयो का यह महोत्सव, तमाशा उनके जख्मो पर मानों नमक छिड़कना है । महंगाई को दूर करने के लिए सरकार कोई सूखा महोत्सव या महंगाई महोत्सव अगर शुरू कर दे तो पता नही गरीबों को कुछ राहत मिलेगी और इस लिए मैं मंत्री महोदय से अपने उत्तर में दूसरा प्रश्न यह पूछना चाहूंगा कि आज की इस भयानक स्थिति में सरकार ने अपने प्रशासन की व्यवस्था में कौन से खर्च कम करने का निर्णय किया है किस मद पर कटौती करने का निर्णय किया है और उस कटौती से कितना लाभ होगा, कितना पैसा हम बचा पायेंगे जिसके कारण महंगाई से जूझने वाले गरीब परिवारो को कुछ सहायता मिल सकेगी । महंगाई का एक और निर्माता है बहुत बड़ा उद्योगपति । हमने एक ऐसी अर्थ व्यवस्था बनाई है जिसमें एक ओर कच्चे माल का उत्पादक उस माल का दाम नही ले पाता और दूसरी ओर ग्राहक को वही वस्तु ऊंचे से ऊंचे दाम पर मिलती है । उत्पादक का भी शोषण होता है उपभोक्ता का भी शोषण होता है और इन दोनों के बीच छोटा सा दलाल अपना पोषण कर लेता है । इस अर्थ व्यवस्था को तोडने का प्रयास कही न कही से प्रारम्भ करना पड़ेगा । मूगफली के किसान को उसकी मूंगफली का दाम नही मिलता और बाजार में मूंगफली का तेल का दाम आसमान को छूता है । उधर किसान परेशान है कि उसको दाम नही मिलता उधर ग्राहक परेशान है कि वह तेल नहीं खरीद सकता । इसके बीच में जो शोषण होता है उसको रोकने के लिए क्या सरकार एक ऐसा कानून लाएगी जिसमें जीवनावश्यक वस्तुएं जो निर्माण होंगी वह बेचने के लिए जब बाजार में आ जाए, मानों एक किलो मूंगफली का तेल बिकने के लिए बाजार में आ जाए तो क्या उस मूगफली के तेल की शीशी उस वस्तु की कीमत का 6 00 p m. विश्लेषण कास्ट एनेलेसेज होगा । कि एक किलो तेल किस प्रकार बना, उसमें कितना खर्चा आया और कितने पर बेचा जा रहा है, इस प्रकार की व्यवस्था अगर बनेगी तो उससे शोषण कम होने की सभावना है, महंगाई को उससे हम रोक पायेंगे । आने वाले दिनों में धीरे-धीरे जैसे हमारे भण्डार कम होते जायेंगे काले बाजार वाले अपनी करतूतें दिखाना प्रारम्भ कर देंगे । इस समय हमे कड़ाई से कार्यवाही करनी पड़ेगी ।

बचपन से हम सुनते आये हैं कि काला बाजार करने वालों को यह सरकार सड़क के किनारे खम्भे पर फांसी देगी, लेकिन आज तक किसी काले बाजार वाले पर कार्यवाही करने की ताकत हमसे नहीं हुई। इसलिए एक ओर काला बाजार करने वालों पर कड़ी कार्यवाही और दूसरी ओर जनता वितरण प्रणाली को अधिक शक्तिशाली बनाना, इनसे ही हम महगाई पर नियंत्रण कर सकते हैं। कपड़े और माचिस से लेकर अनाज तक जीवनावश्यक सारी वस्तुएं यदि हम नियंत्रित दर और पर्याप्त मात्रा मे देंगे तो इनमे महंगाई मे राहत मिलेगी । जन वितरण प्रणाली को सशक्त बनाने की बात कहना आसान है लेकिन करना बहुत कठिन है । गाव की राजनीति है, झूठे राशन कार्डस् है । दिया हुआ भण्डार गांव तक कभी कभी ही पहुचता है, ज्यादातर काले बाजार में जाता है । तो राशन कार्डो को नियंत्रित करने के लिए कोई पहचान पत्र के रूप मे फोटो सहित राशन कार्ड बनाने की व्यवस्था पर हम विचार कर सकते हैं । क्या इसके लिए सर्वदलीय और विशेषकर महिला दक्षता समितियो का निर्माण कर ताकि इनका ठीक प्रकार से वितरण हो क्या इस ढंग से विचार कर सकते हैं। निश्चित रूप से सार्वजनिक वितरण प्रणाली को सशक्त

करने के लिए किस प्रकार की योजना ला रहे है ? इसका ठीक से ब्यौरा अपने उत्तर मे दें । यह प्रार्थना करूंगा ।

अन्त में, घाटे का बजट ही महंगाई के राक्षस को जन्म, देता है यह निर्विवाद सत्य है । एक घाटे का बजट और उसका परिणाम हम भुगत रहे है । आने वाला बजट कैसा हो यह तो वित्त मंत्री जी नहीं बता पायेंगे, बताना उचित भी नही है लेकिन मैं वित्त मत्री जी से केवल इतना संकेत चाहूंगा कि घाटे के बजट के कारण निर्मित महगाई के राक्षस के परिणाम को देखकर क्या उनकी सरकार लगातार बढ़ते हुए घाटे के बजट का रास्ता छोड़कर कोई और मूलभूत रास्ता अपनाने का प्रयास कर का विचार कर रही है ?

उपसभाध्यक्ष जी, राष्ट्रीय संकट महंगाई का है । विषय राजनीतिक नही है । कभी-कभी लगता है कि सत्तारूढ़ दल ही जब भी अपनी करतूतों के कारण सकट मे आता है तो उस सकट को राष्ट्रीय संकट बताकर अपने आपको उस जिम्मेदारी से अलग कर लेता है । यह राष्ट्रीय संकट जरूर है । यह राजनीतिक प्रश्न भले ही नही होगा लेकिन जिस राजनीतिक पार्टी के द्वारा सारी गलत ढंग की व्यवस्था इस देश मे लायी गयी है उसके परिणामवरूप ही महगाई का जन्म हुआ है, यह हम भूल नही सकते हैं और इसलिए अगर उस महंगाई को समाप्त करना होगा तो समग्र अर्थ व्यवस्था मे आमूल-चूल परिवर्तन ही महगाई के राक्षस का नाश कर सकता है। इस दिशा में यह सरकार विचार करे इस प्रार्थना के साथ मैं आपका धन्यवाद देता हू ।

THE VICE-CHAIRMAN (SHRI MOSTAFA BIN QUASEM): Further discussion will continue. The House stands adjourned till 11 O'clock tomorrow.

The House then adjourned at five minutes past six of the clock till eleven of the clock on Tuesday, the 24th November, 1987.